

**GOVERNMENT OF TELANGANA**  
**ABSTRACT**

Irrigation & CAD Department - Kaleshwaram Irrigation Project Corporation Ltd., Hyderabad – Borrowing additional Term Loan of Rs.5405.39 Crores from Power Finance Corporation Ltd., including IDC, towards construction of balance work of PH, Forebay, EM & HM, Pressure Mains, Gates, Sub-Stations and its associated civil works in respect of Link –I of the Kaleshwaram Project– Permission accorded – Orders issued.

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**IRRIGATION AND CAD (Projects-IV) DEPARTMENT**

**G.O.Rt.No. 24**

**Dated: 23-01-2019**

**Read the following:-**

1. G.O.Ms.No.145, I&CAD (Projects-II) Department, Dt.06-10-2015.
2. G.O.Rt.No.521, I&CAD (Projects-IV) Department, Dt.28-03-2018.
3. G.O.Rt.No.21, I&CAD (Projects-IV) Department, Dt.23-01-2019
4. From the Managing Director, KIPCL, Hyderabad, Lr.No.MD/KIPCL/HYD/2017/21, Dt.07-01-2019.

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**ORDER:-**

In the reference 1<sup>st</sup> read above, the Government have issued orders constituting the Kaleshwaram Irrigation Project Corporation (KIPC) to plan, appraise, approve, release funds, implement, manage, operate, monitor and evaluate the Kaleshwaram Project.

2. In the reference 2<sup>nd</sup> read above, the Government have issued orders to the Kaleshwaram Irrigation Project Corporation Limited (KIPCL) for Borrowing Term Loan of Rs.12067.36 crores from Power Finance Corporation Ltd., including IDC towards construction of pump houses, surgepools, Electro mechanical & Hydro mechanical components, Substations and transmission lines for the implementation of the Kaleshwaram Project.

3. In the reference 3<sup>rd</sup> read above, Government have issued orders to the Kaleshwaram Irrigation Project Corporation Limited (KIPCL) for Borrowing Term Loan of Rs.2379.56 crores from Power Finance Corporation Ltd., including IDC towards construction of Pressured pipe Irrigation system consisting of Pipeline (MS,DI,HDPE), Valves, Thrust blocks, EM & HM components in respect of Package-21(A) of the Kaleshwaram Project.

4. In the reference 4<sup>th</sup> read above, the Managing Director, Kaleshwaram Irrigation Project Corporation Limited, Hyderabad has stated that the PFC has sanctioned additional Term Loan of Rs.5405.39 Crores from Power Finance Corporation Ltd., including IDC, towards construction of balance work of PH, Forebay, EM & HM, Pressure Mains, Gates, Sub-Stations and its associated civil works in respect of Link –I of the Kaleshwaram Project.

5. The Managing Director, Kaleshwarm Irrigation Project Corporation Limited, Hyderabad has requested the Government approval for the additional terms and conditions of loan sanctioned by the Power Finance Corporation (PFC) Ltd., towards construction of balance work of PH, Forebay, EM & HM, Pressure Mains, Gates, Sub-Stations and its associated civil works in respect of Link –I of the Kaleshwaram Project and to issue necessary orders on the required documents to be provided by the Government, in order to execute the loan agreement with the PFC Ltd.

6. Government after careful consideration of the matter, hereby accord permission to the KIPCL to borrow term loan of Rs.5405.39 Crores (Rupees Five Thousand Four Hundred and Five Crores and Thirty Nine Lakhs Only) sanctioned by the Power Finance Corporation (PFC) Ltd., including IDC, in respect of Link –I of the Kaleshwaram Project for extending further guarantee by the State Government to extent guarantee amount of Rs.5405.39 Crores to the Kaleshwaram Irrigation Project Corporation Limited from Power Finance Corporation Limited. The MD, KIPCL is directed to complete the all formalities. However, the Government Guarantee (unconditional and irrevocable) may be extended in the next financial year i.e., 2019-20 for the Loan amount of Rs.5405.39 Crores. The terms and conditions annexed to this order towards construction of balance work of PH, Forebay, EM & HM, Pressure Mains, Gates, Sub-Stations and its associated civil works in respect of Link –I of the Kaleshwaram Project.

**P.T.O.**

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7. The Kaleshwaram Irrigation Project Corporation Limited (KIPCL) shall pay the guarantee commission @ 2% consolidated for the entire Guarantee period and shall remit the amount to Government to the following Head of account:

"0070 Other Administrative Services – 60. Other Services – MH 800. Other Receipts – SH 08 Commission for guarantee given by the Government".

8. This order issues with the concurrence of Finance (DCM) Department vide their U.O.No.12/A1/DCM/2019, Dt.22-01-2019.

9. The Managing Director, Kaleshwaram Irrigation Project Corporation Ltd., Hyderabad shall take necessary action, accordingly.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)**

**DR. SHAILENDRA KUMAR JOSHI  
CHIEF SECRETARY TO GOVERNMENT &  
SPL. CHIEF SECRETARY TO GOVERNMENT  
I&CAD DEPARTMENT (FAC)**

To  
The Managing Director, Kaleshwaram Irrigation Project Corporation Ltd.,  
Hyderabad.  
The Accountant General, Hyderabad.  
The Director of works and Accounts, Hyderabad.  
The Director of Treasuries and Accounts, Hyderabad.

**Copy to:**

The Engineer-in-Chief (Irrigation), Hyderabad  
The PS to Chief Secretary  
The PS to Addl. Secretary to Hon'ble CM.  
The PS to Spl. Chief Secretary to Government, I&CAD Dept.(FAC)  
The Engineer-in-Chief, Kaleshwaram Project, Hyderabad.  
The Power Finance Corporation (PFC) Ltd.,  
The Finance (DCM) Department.  
The General Administration (Cabinet) Department.

**// FORWARDED : : BY ORDER //**

**SECTION OFFICER**

**(Contd... ANNEXURE)**

**ANNEXURE to the G.O.Rt.No.24 , I&CAD (Projects-IV) Dept.,**  
**Dt.23-01-2019**

**The terms and conditions approved by the Government:**

**"All the terms and conditions for the existing loan sanctions (original terms of sanction with any further modifications thereof as approved by PFC) shall be applicable for enhanced loan amount under Loan No. 88603001 along with the following modification in security terms and additional other condition:**

**Security Condition:**

*"KIPCL shall provide unconditional and irrevocable guarantee from Govt. of Telangana for the repayment of loan amount of ₹ 5405.39 crore, payment of interest/service charges thereon, payment of commitment charges, if any, additional interest, if any, and costs, charges, expenses, losses, applicable taxes, statutory duties and other money within six months from date of sanction. This Govt. of Telangana guarantee shall be in addition to the existing security condition of Govt. Guarantee for the already sanctioned loan amount of ₹ 14446.92 crore and interest".*

**Additional Other Condition:**

- 1) The Reimbursement of expenditure incurred in works covered pertaining to Link-I of Kaleshwaram Project shall be permissible from 16<sup>th</sup> Nov 2018.*
- 2) KIPCL shall submit the audited annual accounts for FY 2017-18 by 31<sup>st</sup> Jan 2019.*
- 3) KIPCL shall demonstrate the infusion of equity/grant of Rs.6104.41 crore from allocated budget for FY 2018-19 in KIPCL by 31<sup>st</sup> January 2019.*

**Rate of Interest (Only pertaining to Link-1 of Kaleshwaram Project):**

The Borrower shall pay interest on the said Loan at the rate of interest prevailing on the date of each disbursement as per the Corporation policy which shall be as notified by the Corporation (presently **10.41%<sup>#</sup> per annum payable on monthly basis with the discount of 34 basis points over the notified interest rate of 10.75% p.a. payable quarterly with 3 year reset rate**) along with tax, if any, at the rate applicable from time to time. The interest in favour of the Corporation shall begin to accrue from the date of payment / cheque issued by the Corporation. The instalment of interest and tax, if any, will be payable quarterly on the 15<sup>th</sup> day of each month, every year, after commencement of disbursement. The amount of interest and tax, if any, payable will be calculated at the above rate up to the date immediately preceding the due date of payment, i.e. 14<sup>th</sup> day of the month on the amount disbursed/ outstanding up to the last day of the preceding month. Computation of interest shall be made on a daily basis using 365 days factor.

*# The above interest rate is granted subject to the interest rate not falling below 10.41% p.a. payable monthly at any point of time. This is subject to the condition that if PFC's notified interest rate (net of timely repayment rebate) as applicable falls below 10.41%, PFC's notified applicable interest rate (net of timely repayment rebate) shall apply from the date as per terms of agreement. The above interest rate is governed as follows:-*

- (a) If PFC's notified rate for KIPCL falls below 10.41% p.a. payable monthly, the applicable interest rate shall be PFC's notified rate for KIPCL, without any rebate.*
- (b) If PFC's notified rate for KIPCL is between 10.41% p.a. payable monthly and 10.75% p.a. payable quarterly (equivalent to 10.66% payable monthly), the applicable interest rate shall be 10.41% p.a. payable monthly.*
- (c) If PFC's notified rate for KIPCL goes above 10.75% p.a. payable quarterly (equivalent to 10.66% payable monthly), a rebate of **34 bps** shall be applicable on PFC's notified rate for KIPCL.*

*The Corporation shall recover interest from the Borrower considering the rates without rebate for timely payment of dues. The rebate for timely payment of dues, wherever applicable, shall be refunded to the Borrowers immediately in the cases where the total amount due on a due date has reached the Corporation by the due date.*

Further, the PFC mentioned regarding clause 18 of Terms and Conditions of Sanction, which reads as under:

*"The sanction of loan accorded in terms of the sanction letter will stand cancelled if the Borrower fails to execute the complete documents (i.e., MoA along with documents required before or at the time of execution of MoA) within a period of six months from the date of sanction letter. The Corporation may, in exceptional cases, agree to extend the aforesaid period of six months, for such further period as it may deem appropriate if the Borrower makes an application to the Corporation before expiry of initial six month period, duly supported by the reasons for such extension."*

**Repayment schedule**

- To be repayable in 48 quarterly installments commencing from 15.10.2021.
- Proposed SCOD/DCCO shall be recorded at the time of documentation based on the certificate of the Corporation.

Financial Year	No. of Quarters	% of Repayment	Repayment for total debt( in Rs. Crore)	
			Per Qtr	Year
2021-22	2	4.17%	112.61	225.22
2022-23	4	8.33%	112.61	450.45
2023-24	4	8.33%	112.61	450.45
2024-25	4	8.33%	112.61	450.45
2025-26	4	8.33%	112.61	450.45
2026-27	4	8.33%	112.61	450.45
2027-28	4	8.33%	112.61	450.45
2028-29	4	8.33%	112.61	450.45
2029-30	4	8.33%	112.61	450.45
2030-31	4	8.33%	112.61	450.45
2031-32	4	8.33%	112.61	450.45
2032-33	4	8.33%	112.61	450.45
2033-34	2	4.17%	112.61	225.22
<b>Total</b>	<b>48</b>	<b>100%</b>		<b>5405.39</b>

**DR. SHAILENDRA KUMAR JOSHI**  
**CHIEF SECRETARY TO GOVERNMENT &**  
**SPL. CHIEF SECRETARY TO GOVERNMENT**  
**I&CAD DEPARTMENT (FAC)**

**SECTION OFFICER**